

WORKING DRAFT 10/9/13

Current and Potential County Impact of Federal Shutdown

Health and Human Services

Reentry: If the shutdown continues or if the debt ceiling is breached, this could impact our Second Chance program. As of 10/1/13, we were awarded \$500,000 in federal funds through the DOJ Second Chance Act to continue a pre and post release reentry program. If this funding is delayed or even discontinued, we would have to stop services. Meaning inmate and reentry treatment and service plans would stop and their linkages to state-and local administered benefits would be seriously delayed and/or unavailable. Second Chance serves 150 inmates.

Homeless Services: \$12 Million Permanent Supportive Housing Project, 65 units, new construction, Housing First Initiative Project, located at E.116th and Buckeye. Project targets chronically homeless, disabled individuals- providing permanent housing with support services on site and is scheduled to lease up beginning December 2, 2013. In order to meet capital funding requirements, property must have 44 occupants by 12/31/2013. Failure to meet this requirement will put project out of compliance. Financing is at risk because the project should have received its award notice in August. The award did not come due to sequestration. It was then expected in September, but HUD is now backlogged, so there is no info on when the award may be made.

County HHS programs that may become at risk:

- Temporary Assistance for Needy Families (TANF) authorizations expired with the end of the fiscal year (September 30, 2013) and are not currently extended. They would normally be extended with a Continuing Resolution. States will not receive any 2014 TANF funds until a CR is passed. If they have the flexibility, states can spend federal funds they have remaining from prior years.
- Supplemental Nutrition Assistance Program (SNAP) will continue through October with funding provided under the Recovery Act.
- Social Services Block Grant and the Child Care Development Block Grant: While both programs fund the counties for administration, SSBG also covers contracted services to seniors and the Child Care Development Block Grant funds payments from ODJFS to Child Care Providers (Homes and Centers). They are covered for the month of October but our ability to draw may be limited in future months in the areas.

Other funding sources of various county HHS programs that may be cut during the shutdown:

- Child Welfare Services – Title IV-B sub part one
- Safe and Stable Families
- Portions of Child Abuse Prevention and Treatment Act (CAPTA)
- Adoption Incentives Program

Veterans Benefits (Administered by VA and VSC): 7,500 VA workers across the nation were furloughed. The Veterans Affairs Administration has decreased burials and shutdown their entire appeals process and call hotlines. As a major backlog piles up for benefit claims at the VA and Veterans Services, it is believe that if the shutdown last more than two weeks, millions of veterans may not receive benefits at all since the actual funds for benefits disbursements to last only through 'late October.'

When social workers or homeless clients call get VA benefits, they get a phone message that says "due to a lapse in FY 14 appropriations ...there has been a lapse in funds...unable to respond..."

WIC Program - Women, Infants and Children (Administered by MetroHealth): The Supplemental Nutrition Program for Women, Infants, and Children (WIC) is funded through October with funding after that point uncertain.

HeadStart (Administered by the Centers for Families and Children): There are some 1,600 Head Start programs around the country providing education, health, nutrition and other services to roughly 1 million low-income children and their families. Those will slowly begin closing during a shutdown. Initially, only about 20 programs will be affected — the programs whose federal grants expired on Oct. 1 and didn't get renewed. Over time, more programs would likely be affected. This is in addition to the federal sequestration which already cut 57,000 children out of the preschool program for low-income children. Preschool learning programs may be in jeopardy if a shutdown lasted more than two weeks.

Development

SBA Loans: Our lending operative & partner (National Development Council/Grow America Fund, Inc.) in the Grow Cuyahoga Fund (GCF) small business lending pool/program is partly funded by the county and augmented by SBA-guaranteed loans. There are at least 2 GCF business loan deals are currently being delayed. During the shutdown we cannot actually close a GCF loan. For those applicants midway through the process, they may end up with a delayed closing and funding. We can continue to work toward closings - order appraisals, environmental work, and other paperwork during the SBA shutdown. However, they cannot close without an SBA loan number which is the last key step in the process.

Housing: Homebuyers applying for mortgages cannot get the IRS to verify their tax returns, so their loans may not be approved under stricter underwriting rules issued since the mortgage crisis.

Buyers face delays in FHA-insured mortgage approval, due to limited FHA staff on duty.

Rental projects now under construction cannot draw on FHA-insured construction loans to pay their bills, since all HUD staff who approve construction loan draws have been furloughed.

New FHA-insured loans for rental projects cannot be reviewed during the shutdown.

Without "3rd party" IRS verifications we cannot approve some homeowners and renters to receive lead paint remediation grants or housing rehabilitation loans to repair their homes. Specifically, adult household members who claim they have no income to report must authorize us to verify their income tax return for the previous year with the IRS. This "3rd party verification" is done by IRS employees, but they are furloughed and cannot do it now.

Public Works

Airport: An extended shut down would impact the review of our environmental Impact statement for the County Airport that we are currently working on approval in the Spring of 2014. This document is needed to request funds for the improvement and replacement of the runway. It is unclear if the shutdown will affect the airport tower program - at this point we are told that the FAA has only approved funds through October 2013

Public Safety and Justice

It may affect our ability to draw down funds on the following federal grants and will delay grant applications/allocations that are in the approval pipeline but have not been made:

- Urban Area Security Initiative
- State Homeland Security Program
- Violence Against Women Act
- Justice Assistance Grant

County Residents

Federal employees out of work: According to Policy Matters, there are more than 75,800 federal workers in Ohio. There are two classes of federal workers to consider. First, there are the 1.3 million "essential" civilian employees who keep working during the shutdown. These workers may see their paychecks delayed, but they'll eventually get paid once the government reopens. There are 800,000 or so workers deemed "non-essential." These employees have been furloughed and it is uncertain if they'll receive back pay.

NASA Glenn Research Center: The NASA Glenn research center in Cleveland furloughed 1,664 civil servants; another 1,634 contractors also may be out of work. This comes at a time when NASA Glenn is poised to play an important role in the overall space program, with the potential to attract significant numbers of high-skilled employees to Northeast Ohio.

National Guard: More than 1,800 Ohio National Guard employees are on unpaid leave in Ohio as a result of the shutdown. There are more than 15,800 Ohio National Guard employees statewide. Drills for reservists were canceled over the weekend, Army helicopters are grounded, and Air National Guard aircraft at Rickenbacker, Toledo, and Mansfield bases are limited to only "mission critical" flights.

Closure of the Cuyahoga Valley National Park: Only 18 park personnel including law enforcement rangers are on duty in the Cuyahoga Valley. The other 109 have been furloughed. The railroad has furloughed about 25 seasonal part-time workers, including ticket takers, concessions people and laborers.

According to park data, the Towpath Trail in October typically gets 1,650 users per day. That translates to about 51,150 trail users for the month. Fall color season is one of the biggest times in the 33,000-acre federal park. With the park closed, however, there is less assurance visitors will come to the area shops and galleries in communities like Brecksville. The Towpath Trail Marathon has been postponed to November 2013.